



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 061-2006

LETTER TO COMMISSION

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: March 8, 2006

SUBJECT: **"YEAR SEVEN" ENERGY CONSERVATION PERFORMANCE BASED CONTRACT RESULTS.**

In 1997, the City's Property Management Department developed the first citywide energy conservation performance based contract in the State of Florida. The City Commission approved the partnership contract with Johnson Controls Inc., on January 21, 1998. The contract provided for the retrofitting or replacement of existing building equipment such as lighting systems, HVAC systems, and energy management systems in 26 separate City facilities, to provide for energy savings. The performance-based contracts has provided for the installation of approximately \$2,500,000 in new and upgraded energy efficient equipment that was guaranteed to be 100% funded by the energy savings realized by the contract. This contract also allowed the project to be completed without the need or requirement of any capital expenditure outlays by the City. The performance contract also won the 2001, "Energy Project of the Year" from the Association of Energy Engineers.

At the end of October 2005, the seventh annual reconciliation report was prepared in order to determine the overall performance of the contract. The total energy savings realized in the seventh year alone of the performance-based contract is \$492,197.72. To date, the total energy savings, realized by the City for the first seven years of the contract, in all of the buildings included in the contract, is \$3,148,332.92. These savings are well above the projections of guaranteed energy savings that is outlined and required in the base contract. This has provided the City with a positive variance to date, of \$498,447.92 above the guaranty of the contract.

Some of the specific buildings that were precisely measured by direct energy consumption comparisons over previous years included the following savings in the past 12 months:

City Hall	\$ 73,770.00
Police Department Building	\$ 82,876.00
Scott Rakow Youth Center	\$ 50,175.00
South Shore Community Center	\$ 24,851.00

Although buildings such as the Convention Center and TOPA cannot be measured by direct utility bill comparisons due to the changing schedules and bookings, an energy analysis was performed using the operation time and equipment run-times, for the energy comparisons of both facilities. The results of these comparisons revealed a past year's savings of \$65,231.00 at the Convention Center and an additional savings of \$6,755.00 for TOPA.

The environmental benefits realized by these energy savings has the equivalent in pollution reductions of removing 38,177,209 pounds of Carbon Dioxide, 517,653 pounds of Sulfur Dioxide, and 226,482 pounds of Nitrogen Oxides from our air. These energy savings also has the environmental equivalents of removing 3,813 cars from our roads and the planting of 5,233 acres of trees.

If you have any questions concerning the report, please do not hesitate to call me or Brad A. Judd, Property Management Director, at x7630.

JMG/ROM/FHB/baj

cc: Robert C. Middaugh, Assistant City Manager
Fred Beckmann, Public Works Director
Brad A. Judd, Property Management Director

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